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->From the Editor's Keyboard   "Saying it like it is!"
  """""""""""""""""""""""""""

Well, I've reached a first, and an all-time low here at A-ONE. If you
recall from my editorial a few weeks ago, my tower died. I did manage
to locate one of my old hard drives, restored a lot of data, and manage
to work with my Falcon to put out A-ONE for a couple of weeks. Well, on
Monday, that drive went south on me! So, because of the lack of time, I'm
putting together this week's issue using one of my PCs. Other than the
template for the magazine, this week's issue is being entirely done
using a non-Atari computer. How revolting! What a sacrilege! What a
predicament!

Well, I really didn't have much choice this week due to a number of
issues going on in my personal life. As I may have alluded to last
week, things up north are not going well, and my wife and I managed to
get somewhat in the middle of things. We're currently dog-sitting my
father's dog. I have to say this dog is something else. He's a pit
bull, but probably the only one not realizing that he is one.
Extremely playful and affectionate. He follows us around like a
shadow, and loves attention. Still, having him here is extremely
disruptive to the normal order of things here at the house. I'm hoping
that things "stabilize" up north early this weekend so I can return my
boarder as quickly as possible. Don't get me wrong, he's a great dog
in spite of his bad rap as a pit bull. But, adding a third dog to a
household that has been "fixed" for 9 years, it can be a problem no
matter what kind of animal it is. Hopefully things will work out soon,
in more ways than one.

Well, I'm going to wrap things up quickly this week because I have no
idea how this issue is going to look when I convert it to html. Using
Flash 3 and WordWriterST on my Falcon has really worked out well over
the many years that I've been doing online mag material. Doing it on
the PC has really thrown everything off-kilter, so I may have to spend
an unually high amount of time getting it just right. So, bear with me
until I can resolve my Atari hard drive issues.

Until next time...

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                          PEOPLE ARE TALKING

In the words of an old college roommate of mine: "If you want to play, ya
gotta pay!"   Loosely translated, in the context of this magazine's column,
there is no column this week due to the lack of discussion messages in the
Atari newsgroups. 'Tis a real shame. Let's hope things pick up in time for
next week's column.

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->In This Week's Gaming Section -   CEA Passes On E3 Replacement!
  """""""""""""""""""""""""""""""   Controversial 'Bully' Out!
                                        Let The Console Wars Begin!
                                        And more!

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->A-ONE's Game Console Industry News   - The Latest Gaming News!
  """"""""""""""""""""""""""""""""""""

                    CEA Passes On E3 Replacement

The news is there is no news.

What was supposed to be a big announcement Monday about a new
video game event organized by the Consumer Electronics
Association (CEA), turned into a last-minute redaction at a press
conference in downtown San Francisco.

According to Karen Chupka, CEA senior vice president of events
and conferences, the planned event was dissolved over the weekend
after the Entertainment Software Association (ESA) announced its
plan to revive the previously defunct Electronic Entertainment
Expo (E3) trade show under a new banner: the E3 Media and
Business Summit.

"Although CEA was prepared to launch its new event, the recent
announcement by ESA led us to conclude that a new spring West
Coast event would likely not serve the best needs of the
industry," Chupka said.

Ultimately, both video game events would have been held during
the same late spring/early summer timeframe in 2007.

"We felt it would hurt the industry to have two competing
events," Chupka said. "The industry doesn't need two separate
events at this point."

This past summer, the ESA announced it would be retooling the Electronic Entertainment Expo, previously held in downtown Los Angeles at the L.A. Convention Center. According to many of its organizers, the gaming expo had grown too large and had lost its focus, so much so that many in the industry even felt the announcement signaled the end of that video game tradeshow altogether.

This potential hole was what the CEA - owner and producer of the popular International Consumer Electronics Show (CES) in Las Vegas - seemed poised to fill until yesterday.

But as news came out this past weekend that a downsized, more intimate version of the expo was planned for 2007 in Santa Monica from July 11-13, the CEA pulled in the reins.

Under its new guise, the E3 Media and Business Summit will be an invitation-only, three-day event. According Douglas Lowenstein, president of the ESA, members and non-members alike will have a chance to hold major press events and conduct intimate meetings at various hotel suites and meeting rooms in the Santa Monica area.

Additionally, the ESA plans to convert the nearby Barker Hangar into a software showcase where attendees will be able to casually test drive featured video games.

"By combining suite-based meetings with the software showcase in a controlled environment, we believe we will successfully fulfill our primary objective of giving high-level media the best of all worlds -- the chance to engage in highly personal, one-on-one dialogue with leading game company executives, as well as the chance to demo games on their own time and to check out offerings from both the best known and emerging game publishers and developers," Lowenstein said in a statement last Friday.

Currently, the ESA is also looking into adding an independent games showcase and incorporating the 'Into The Pixel' video game art competition and exhibition into the show.

While there were few details about what, specifically, the CEA had in mind for its now cancelled event, Chupka did say it would have been divided into two separate parts, one featuring an exclusive press day and the other for general consumers.

"We want to give [the new E3] a chance to see if it meets industry demand," she said. "At this point, we will continue a dialog with the industry to determine if the need for a broader gaming event exists for 2008."

A new Gaming TechZone will be a part of next year's CES in early January.

Sony Shows Off PlayStation 3, New Games

As the countdown to its Nov. 17 U.S. launch neared, Sony Corp. showed off its PlayStation 3 game console Thursday and named 22 titles that will be available at the same time.

The games at launch will run the genre gamut, from racing and war games to updated, more powerful versions of popular sports titles - "the most robust game lineup" of any new-generation game system, boasted Kaz Hirai, president and chief executive of Sony Computer Entertainment America.

Sony's own in-house developed titles, such as a first-person shooting game called "Resistance: Fall of Man" will be $59.99.

Other games that will be available for download directly onto the PS3 will be priced at $14.99 or less, Sony officials said.

Prices of certain accessories also were disclosed: $50 for an extra wireless controller; $15 for a memory card adapter; and $25 for a remote control for the system's built-in Blu-ray disc drive player.

The console is already the most expensive among the new generation of game systems with a price tag of $500 or $600, depending on the model, but analysts say Sony's dominance in the video game market still will dictate its success.

Sony has sold 106 million PlayStation systems globally, including 40 million of them in the U.S., while Nintendo Co. has sold roughly 21 million GameCubes, and Microsoft Corp. has sold about 23 million Xbox systems, said P.J. McNealy, an analyst at American Technology Research.

"At the end of the day, Sony still has tremendous brand loyalty here, and they'll sell millions," he said.

Sony officials were equally optimistic.

"We've always had formidable competition," Jack Tretton, executive vice president of Sony Computer Entertainment America, said in an interview. Introducing a product this time as a market leader seems less daunting than the challenge he faced when helping to launch the first PlayStation against the then-industry kings, Nintendo and Sega, Tretton said.

Bully Available for Playstation 2

Take-Two Interactive, the same publisher which brought the world the Grand Theft Auto franchise and associated "Hot Coffee" controversy surrounding Grand Theft Auto: San Andreas, has a new game out today: Bully.

Bully follows the character of 15 year-old Jimmy Hopkins as he tries to adjust to life at the fictional New England boarding school Bullworth Academy. Jimmy's been expelled from every school he's attended, and now gets to contend with malicious teachers, pranks, being the outsider at an upight school, and taking on liars and snobs, and exploring the school's larger town.

Billed by Take-Two as "outrageously funny," Bully has already

garnered considerable criticism, including court action to stop
the game from going to market on the grounds that it was
effectively a "Columbine simulator" which created a public
nuisance, and harsh criticism from pundits and watchdog groups
saying it's a sad indication of the direction of modern culture.
For its part, Take-Two says the game's humor and entertainment
value is the game's main focus: the game has no guns, no knives,
and no blood, with the mightiest weapons being slingshots,
stink-bombs, and fire extinguishers.

(Back in my day, I recall kids being seriously hurt by all those
things. But that was reality, not a 'game.')

Although a handful of retailers are declining to carry Bully, you
can now see for yourself what all the fuss is about: Bully is now
available for Playstation 2 with an MSRP of $39.99; it'll ship in
Europe under the name Canis Canem Edit on October 27, 2006, with
a suggested price of $59.99, or £39.99 in the United Kingdom.
("Canis Canem" is Latin for "dog eat dog.") Development on a
version of Bully for Xbox was cancelled some time ago, so
if you want to play, Sony's the way.

Get Ready for the Game Console Wars

Let the games begin. Nintendo, Microsoft, and Sony are gearing up for the
end-of-year buying season, and the Internet is abuzz with predictions about
which next-generation console will win the hearts and wallets of gamers.

So far, it appears that Nintendo will have the edge with its new Wii
system, which will be shipping in November. Major games retailer GameStop
noted that preorders of the Wii system exhausted its limited quota in just
a few hours. Nintendo intends to ship at least four million units
worldwide, the company noted, compared to the two million PlayStation 3
units that will be available from Sony.

However, Sony is expected to make major announcements soon about which
games will launch with its system, and, more notably, about the features of
an online service that will compete with Microsoft's Xbox Live gaming
service.

As the holiday season looms, it is possible that Sony will have trouble
competing with Microsoft and Nintendo because of the lower number of
available units, said Forrester analyst Paul Jackson.

Even if consumers want a PlayStation 3, seeing only a Wii or an Xbox on the
shelves might make them rethink their decision, he said.

"There could be lots of little Johnnies horribly disappointed on Christmas
morning if they don't get a PlayStation 3," he said. "But that's where
Nintendo can do quite well because parents will buy a Wii just to have
something for the kids."

Past the holidays, Sony might still have a hard time catching up, Jackson
added. The difficulty for Sony is that the PlayStation 3 has advanced
components, such as a Blu-ray drive, that could create production delays
for Sony.

The advanced technology has also boosted the PlayStation 3's price above
that of its competitors, Jackson noted, and that could have a definite
impact on sales. "You have a multicore processor in there that can
calculate landing projections on the sun," said Jackson. "That component,
and a few others, are in short supply, and they all have to come together
to make that unit. Sony is actually stretching the boundaries of today's
production standards."

Nintendo and Microsoft, on the other hand, have been using off-the-shelf
components that are abundant, Jackson noted.

"The Xbox 360 and Wii aren't the most cutting-edge because there isn't the
complexity that PlayStation 3 has," he said. "But they'll be on the
shelves."

Videogame Player Scarcity May Lift Old-model Sales

Two new video game consoles, Sony Corp.'s PlayStation 3 and
Nintendo Co. Ltd.'s Wii, are expected to top holiday wish lists
as they debut in mid-November, but fans may have trouble buying
them.

Shortages tend to plague hot new gadgets as manufacturing and
distribution challenges make it hard to immediately satisfy
demand, and this year is shaping up to be no different.

So, even though gamers are a-flutter over the brand new consoles,
machines already in the market could be the season's best sellers
if consumers decide something is better than nothing.

Sony plans to ship 2 million PS3 units for the holidays, half the
number Nintendo (7974.OS) has planned for the Wii. Debut supplies
of each are expected by analysts to fall far short of demand and
quickly sell out.

"This is going to be the mother of all shortages," Larry Haverty,
associate portfolio manager of Gabelli Global Multimedia Trust,
said of the PS3 launch.

The fund owns shares in Electronic Arts Inc. and Activision Inc.,
the two largest U.S. video game publishers.

Analysts expect just as severe a shortage for Nintendo's Wii
which, at $250, is about half the price of the PS3.

"Unless you're willing to stand in line or pay ridiculous amounts
of money on eBay, don't even try. Don't get your hopes up," Sam
Kennedy, editor-in-chief of video game information site 1UP.com,
told Reuters.

Microsoft's competing Xbox 360 console, however, should be
readily available for its second holiday season, after overcoming
shortages during its November 2005 debut.

"I think we're set up to have a good holiday," Robbie Bach,
president of Microsoft Corp.'s (Nasdaq:MSFT - news) Entertainment
and Devices division, told Reuters.

Wedbush Morgan analyst Michael Pachter expects Microsoft to sell
as many as 3 million Xbox 360s in November and December, but said
the number could be higher if consumers who can't find a Sony PS3
buy a 360 instead.

Microsoft, which sells two versions of the Xbox 360, for $300 and
$400 each, said in July it had 5 million of them in the hands of
gamers. It expects to double that number by year end.

Analysts caution against calling a winner in the three-way
console war between Sony, Microsoft and Nintendo based on holiday
sales, since a clear winner may not emerge for another two years
as manufacturers need that much time to get ample supply to
market. It also takes game makers about two years to design
titles that take advantage of a console's new features.

Sony stole the game console market from Nintendo in the mid-1990s
with its original PlayStation, which leapfrogged rivals with
improved graphics and other features that spawned a vast library
of games.

The company continues to dominate the market with its PlayStation
2, which also won the last console battle that began in 1999. The
PS2 commands more than 60 percent of the market with sales of
more than 106 million units.

Most analysts believe that Sony will lose some of its grip over
the market in the new console cycle as competitors get more
aggressive and as independent game makers move away from striking
exclusive game deals with Sony.

However, they expect the $30 billion video game market to keep
growing overall. Current generation game and console sales
historically fall during transitions to new console technology,
but data from recent months show that U.S. consumers are
continuing to buy both PS2 consoles and games.

For example, in September PS2 sales hit 307,000, while Microsoft
racked up 260,000 Xbox 360 sales, according to market research
firm NPD.

Analysts said video game enthusiasts, who weathered shortages of
the Xbox 360 last year, are more realistic about their chances of
being the first on the block to own the latest machine. A
willingness to consider more easily available options could help
explain better-than-expected PS2-related sales in recent months,
some analysts said.

Sony spokesman Dave Karraker said trend-bucking PS2 sales should
continue through to the new year. "It will be one of the top-
selling consoles for the holiday season," Karraker said.

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How Hot Is the New Firefox Browser?

The Mozilla Foundation, a spin-off of former Internet heavyweight
Netscape, has released what many believe will be the final
version Firefox 2.0, the chief competitor to Microsoft's Internet
Explorer.

The version, called RC3 - short for Release Candidate 3 - sports
several user-friendly features, including a sleeker interface
with buttons that glow when a user positions the mouse over them.

But far more important are the new version's security features.
"Within the browser, managing security, managing phishing,
managing trust is a huge issue," said Gartner's Charles Abrams, a
specialist in current and next-generation Web strategies.

Chief among the new version's improved security is antiphishing
protection, which steers users away from malicious Web sites by
checking them against a database of known phishing scams.

Firefox updates the database when a user goes online, much the
same way that most antivirus applications regularly update their
databases of known virus attacks.

Other features in the new version of Firefox include souped-up
search tools that suggest search terms as users type, better
tabbed browsing, and a revamped method of handling Web sites with
JavaScript.

The new version also gives users a wider array of ways to read
RSS feeds, which are growing in popularity as more companies turn
to blogging as a way to build their brands and improve market
share.

Conventional wisdom indicates that Microsoft long ago won the
browser wars, leaving other browsers all but dead and buried. But
a seemingly endless stream of security problems and the near
constant need to patch Internet Explorer, now in version 6, have
left many netizens cold on Microsoft's browser.

Recent research from Net Applications, a company that monitors
global Web browser usage, shows that Firefox now has 12.5 percent
of the browser market and is slowly but steadily gaining ground.

In the end, Abrams said, Microsoft has the upper hand and will
keep it when it releases the much-anticipated version 7 of
Internet Explorer. "I still think Internet Explorer, because of
the Microsoft base, is going to be the established leader," he
said.

He also said that Web browsers will be one of the key
battlegrounds in the future of an evolving and complex set of
Internet trends. "We have to view the emergent browser wars as
not only places to find information," he said, but as "something

that can handle trust and identity" as users are jumping around different sites.

The result? The key feature of future Web browsers might be how they handle users' personal data, and not merely the information they pull from billions of Web sites the world over.

Microsoft Releases Long-awaited Internet Explorer 7

Microsoft Corp. released Internet Explorer 7 on Wednesday, the first major upgrade to its Web browser since 2001 with new features aimed at preventing online fraud and improving ease of use.

Microsoft's IE remains the most widely-used software to surf the Web, but the long gap between major releases allowed for the emergence of the company's most formidable browser competitor since it vanquished the once-dominant Netscape.

Mozilla Firefox, a free open-source browser, has steadily gained users since its introduction in 2004 with features such as an integrated search window to allow users to do a Web query without opening another page, tab browsing to toggle between different sites and a pop-up window blocker.

These features are included in the new Internet Explorer and Microsoft also touted the security improvements to the browser including color-coded warnings in the address bar to indicate whether a Web site can be trusted.

IE 7 is available immediately to Windows XP users and it will eventually serve as the default browser for Microsoft's much-anticipated Windows Vista operating system, due out to consumers in early 2007.

According to analysts, consumers increasingly identify the quality of an operating system with the quality of its browser and that makes a well-received browser important for Microsoft - even if it is not sold as a separate product.

"How would it look if Microsoft didn't have a good browser as part of Windows? It wouldn't look good," said Forrester Research analyst Colin Teubner.

Microsoft said it is already at work on the next version of Internet Explorer to ensure that long gaps between updates do not occur again. "Should we have done more, sooner, earlier? It's rare to not say that in hindsight," said Dean Hachamovitch, general manager of the Internet Explorer team at Microsoft.

Internet Explorer registered an 86 percent global share in October, Mozilla Firefox 11.5 percent and both Apple Computer Inc.'s Safari and Norway's Opera Software (OPERA.OL), less than 2 percent, according to OneStat.com. "It's exciting to see Microsoft reenter the browser space after leaving for five years," said Christopher Beard, vice president of products for Mozilla. "It's great to see that IE is adopting the features that we popularized."

Mozilla said it also plans to release an upgraded browser, Firefox 2, within the next few weeks.

The upgrade will include a feature to allow users to restore work done online if the browser or PC crashes, a spell check function for e-mails or blog postings and suggestions for search queries.

Microsoft's Windows Live is the default search engine on Internet Explorer 7, but users will have the option to change to competing search engines. In Mozilla Firefox, the default search engine in the U.S. is Google Inc.

Competitors raised objections to Microsoft making its own search engine the default setting over concern that it would unfairly drive traffic to Windows Live, but analysts said consumers will eventually gravitate toward the search engine that produces the best results.

The new browser will be sent as an automatic security update and then users will have an option to install the new Internet Explorer onto their PC. Companies also have the option to block its workers from installing the new browser.

IE 7 is available for download at www.microsoft.com/ie.

ICANN Approves Domain for Asia-Pacific

The Internet will soon have a domain to unify businesses and other users in the Asia-Pacific region. A key oversight agency has approved a ".asia" domain for Internet addresses, supplementing suffixes available for individual countries, such as ".cn" for China and ".jp" for Japan. The Internet Corporation for Assigned Names and Numbers earlier approved ".eu" for the European Union.

Made up of groups that run domain names for China, Japan, South Korea, Vietnam and other countries, the DotAsia Organization Ltd. plans to explore permitting domain names in Asian languages under ".asia." ICANN also has been exploring allowing suffixes in other languages, too, though that will take time and is unaffected by Wednesday's decision on ".asia."

Finalizing the contract between ICANN and DotAsia could take weeks. Registrations for English-language names is not expected for another six to nine months. Prices will vary, and trademark holders will get the first picks.

ICANN was selected by the U.S. government in 1998 to oversee Internet addressing policies, although the Commerce Department retains veto power over decisions until at least 2009.

More than 260 domain name suffixes exist, mostly country codes such as ".fr" for France. Recent additions include ".cat" for the Catalan language and ".mobi" for mobile services.

Demand for the new names has generally been low, compared with old-timers like ".com," which has about 57 million names.

However, many foreign businesses consider ".com" primarily a U.S. domain, and latecomers to the Internet have found the best names already taken. Backers of ".asia" believe Asian businesses will want a

separate identity, particularly as they expand beyond their own countries and find their country-specific names limiting for a regional market. Individuals and groups will be eligible as well.

DotAsia has said it plans to restrict registrations to those in the region, which includes Australia.

Old Buddies Reunite In Hopes of Taking Tech World by Storm ...Again

Hollywood could make this into a tech-industry old-timers buddy movie. Like Cocoon, with geeks.

Or it could turn out more like This Is Spinal Chip.

Gil Amelio, Ellen Hancock and Steve Wozniak are taking over a chipmaking company together. This is sort of the computing equivalent of Alice Cooper, Grace Slick and Smokey Robinson announcing they have formed a new band. Legends, yes. The outcome, less certain.

Amelio was CEO of National Semiconductor (NSM) back in the early personal computer years, then took a disastrous turn as Apple's (AAPL) CEO in the mid-1990s. Hancock was a star executive at IBM (IBM), worked for Amelio at both National Semiconductor and Apple, then ran dot-com darling Exodus Communications - until it filed for bankruptcy in 2001.

And Woz started Apple with Steve Jobs in 1976. Since the 1980s, he's basically been a member of the Lost Co-founders Club, along with Microsoft's (MSFT) Paul Allen, onetime Beatle drummer Pete Best, and whoever Anheuser was.

Our heroes' quest for some redemption - or another paycheck - started in 2005. Amelio was an adviser on a deal by investment firm ThinkEquity Partners, and one of the partners told Amelio he should go raise a SPAC.

"I said, 'What the hell is a SPAC?' " says Amelio, who hadn't done much of significance since Apple's board ousted him in 1997.

Turns out it stands for special purpose acquisition company. The idea is that you do an initial public offering before you have a business, then use the IPO proceeds to buy an existing company.

Investors are basically betting on the management team and assuming the team will find and run a good business. It helps with the IPO if the management team is pretty high-profile.

"I first went to Ellen," Amelio says. "We've been close for decades. She said, 'Count me in.' "

She, too, had no clue what a SPAC was. Amelio, who lives in Orange County, Calif., traveled to her Silicon Valley home and talked her through the concept. "I really liked the notion," Hancock says. "And he said we should call Steve."

So they did. Back when Amelio was named CEO of Apple, he had been

a board member but still was an outsider coming into a strong - if often dysfunctional - culture. Jobs was gone. John Sculley had been sent packing. The company was swirling around the toilet bowl. Amelio's first task was to cut costs and keep Apple from dying.

He needed allies. He brought in his old pal Hancock and reached out to Wozniak, who had not had a role at Apple in a long time.

"He phoned me about something going on there, and I came in and he respected my thinking," Wozniak says, sounding grateful. At Apple, Woz got to know Hancock, too. They all liked each other.

When Amelio called Woz about the SPAC, Wozniak was happy to hear from him. "I was at the right point in my life. My last kid had just left high school," Wozniak says. "It sounded like an adventure. He said he was doing a SPAC. I didn't know what that was."

Once they got the SPAC thing figured out, the trio did their IPO in March and raised $172.5 million. They named their company Acquicor Technology. (Get it? Short for "acquisition corporation.")

They went looking for the right company to buy and, apparently, didn't have to look all that far.

Before becoming National Semiconductor's CEO in 1991, Amelio was president of Rockwell International's semiconductor division. In 1998, Rockwell spun off that division, renaming it Conexant Systems.

In 2002, Conexant spun out part of the company that made specialty chips, and The Carlyle Group paid $52 million for controlling interest. The new company, based in Newport Beach, Calif. - not far from Amelio's home - was named Jazz Semiconductor.

In other words, Jazz is a little sliver of the Rockwell division Amelio ran two decades ago.

And now our trio's Acquicor is using its SPAC money to buy Jazz. As Jazz's press release about the deal even points out, when Amelio was at Rockwell in the 1980s, he "was responsible for operation of the manufacturing facility that is now operated by Jazz."

In a grand, complicated circle, Amelio just bought his old factory, in his own backyard.

Instead, Amelio talked me through his theory about how three major trends are driving technology. One is convergence of computing, communication and media; two is wireless; and three is consumer electronics moving to high-definition digital, particularly TV, he said.

"We wanted to buy a company that addressed these markets - that would go right to the epicenter of these trends," Amelio says. Jazz makes advanced chips and is known for building radio transmitters into superfast Silicon Germanium chips, which could

go into tinier, more powerful cellphones and other wireless media products.

"We finally converged on Jazz Semiconductor," Amelio says, implying a long search. "Look at where its products go - right into the heart of the trend. We think it's a company in transition. It gives us a platform where we can apply our management skills and experience and create shareholder value."

Each is a likable tech player who had tremendous success in decades past, followed by high-profile failures. Amelio got chased out of Apple, setting the stage for Jobs' return. Wozniak, who just published his autobiography, shut down his latest start-up, Wheels of Zeus, in March. Hancock is on a bunch of boards but hasn't had a management success since Exodus cratered.

They need this. And, seriously, if they pull it off, somebody write the script. Get Joe Pesci to play Amelio. He needs a comeback, too.

Microsoft Partners Fuming Over Vista

Microsoft Corp. is no stranger to antitrust skirmishes and complaints from competitors about unfair business practices.

But the latest fight over its upcoming Vista operating system pits Microsoft against an unlikely adversary: the security software vendors who are some of its most intimate partners in protecting its notoriously vulnerable systems from attacks.

As Vista's planned release nears, the company is facing a backlash from such vendors as Symantec Corp. and McAfee Inc., which argue that even the concessions Microsoft recently made to appease European antitrust regulators won't do enough to help them best protect their customers. "We've been talking to them for over two years on this issue," said Rowan Trollope, Symantec's vice president for consumer engineering. "And now (with) basically a very short amount of time before the operating system comes out, we're not in a good position to provide that security to our customers."

Ultimately, consumers will decide whether Microsoft's own security measures are adequate to combat increasingly sophisticated Internet threats and keep personal data safe from hackers and online criminals.

But the showdown also marks an important turning point in how computer users buy security software.

Microsoft now competes directly with Cupertino-based Symantec and Santa Clara-based McAfee with its own product, called OneCare, posing a substantial threat to vendors who have been vital to protecting generations of Microsoft operating systems.

European antitrust regulators have warned Microsoft not to shut out rivals in security software and other markets, and the European Union so far has fined the Redmond, Wash., company $970 million over the current flavor of Windows.

To quell EU concerns about Vista, Microsoft pledged to make key changes, but the vendors remain unsatisfied and have threatened antitrust lawsuits. McAfee issued a statement Thursday complaining of the company's failure to live up to "hollow assurances."

Industry analysts said Microsoft's new dual role could inadvertently make the operating system more vulnerable.

"Microsoft's priority should be simple: Fortify the operating system, make it secure, make it as impenetrable as possible, but work with the third parties," said Joe Wilcox, a senior analyst with Jupiter Research.
Vista will be Microsoft's first major upgrade to its flagship operating system since Windows XP's release in 2001. The company touts Vista's sleeker looks, improved search capabilities and simplified organization as key upgrades over previous systems.

But several key security changes prompted Symantec and McAfee officials to launch withering public attacks in recent weeks.

Executives accused Microsoft of unfairly promoting its own security software with a dashboard that couldn't be disabled by vendors. The company pledged technological information to turn off the feature, designed to help customers easily see what protections are switched on.

Vendors also howled over an icon on the welcome screen linking to Microsoft security products. Microsoft refused to remove the link but has vowed to link to other security companies.

The biggest - and currently unresolved - fight hinges on vendors' claims they have been locked out of access to the core, or kernel, of higher-end, 64-bit versions of Vista.

A new feature called PatchGuard is meant to protect the most sensitive information in the guts of the system. While blocking out hackers, PatchGuard also keeps out security vendors that have traditionally been allowed inside to retrieve necessary information.

Vendors said their products will thus lack advanced security features for 64-bit users (The 32-bit version that consumers are likely to get does not include PatchGuard and thus offers access to the disputed data).
Microsoft said the methods previously used were undocumented and unsupported and left the system less secure and less stable. Customers, the company said, demand better security.

The company has agreed to permit limited kernel access, but will not provide a "blanket exception" or turn off the feature entirely, said Stephen Toulouse, a senior program manager in Microsoft's Security Technology Unit. "We did look at that, but we got consistent feedback that that wouldn't be a good option for the customer," he said. "We want to make clear that we will work with those vendors. It will take some time, but we're committed to making that happen."

Microsoft held online briefings with security vendors on Thursday to address their concerns, though technical difficulties booted some vendors out. Security vendors said their engineers are going to have to scramble to update their software once the technical tools they need become available, which could be months away.

Vista begins shipping to computer manufacturers and larger businesses next month. Consumers should be able to buy the new operating system in January. "We're turning blue holding our breath waiting for something to happen," McAfee chief scientist George Heron said in an interview. "And frankly so are the users. This is the 11th hour. Now is not the time to crack open the designs."

In the meantime, third-party vendors said their products will work but won't have maximum protection. Microsoft said its products will adhere to the same rules and won't have an unfair advantage.

Security experts said it's unclear whether Microsoft's stance on protecting the kernel will make Windows more secure, though it will likely challenge hackers to try to crack it.

"No matter how secure any operating system is, if it has been built by man, it can be broken by man," said Ken Dunham, director of the rapid response team at VeriSign Inc.'s iDefense Intelligence. "While it might be a major improvement, there is no silver bullet."

Vendors said customers are likely to agree.

"It's a little bit like the fox guarding the hen house," Symantec's Trollope said. "If Microsoft can control the ways that companies can innovate, if they can control the dialogue of security with the customer, you end up with a security monoculture. And that's unacceptable."

MySpace Trouncing YouTube in Web Video Streaming

Although YouTube was purchased by Google for $1.6 billion, it's the Fox-owned MySpace that's serving up the majority of the video.

MySpace, whose owner, Intermix Media, was purchased for a relatively paltry $580 million in July 2005, served up 1.4 billion streams or 20.1 percent of all Web-based streamed video in August, according to Media Metrix, which tracked the U.S. video streaming sites. YouTube ranked third, serving up 688 million or 9.9 percent of the video streams, Media Metrix found.

In August, 6.98 billion video streams were initiated by U.S. Internet users, the agency reported. On average, U.S. consumers watched about two streams a day, for a total of 63.3 for the month. Media Metrix credited a service where it served a stream, whether it be on its own website or linked to or posted on another web page.

"Historically, traffic metrics were the only tools available for analyzing this space. While these measures provide important information on the number of unique visitors to a site, they do not properly measure how many people are actually viewing video content across the Web and how many streams they are viewing, both of which are vital to understanding video's advertising capacity," said Erin Hunter, executive vice president of comScore's Media and Entertainment Group, in a statement. "Our data illustrate that the top-ranked sites by streaming activity

do not directly correspond to the most trafficked sites,
rebutting the sole use of traffic as a gauge of video
consumption."

A surprising second was the Yahoo collection of sites, with 823
million or 11.8 percent of all video streams. The collection
includes Yahoo's own licensed videos as well as Yahoo's own video
search tools, which host a variety of user-made videos like
YouTube.

Viacom, which owns MTV, and Time Warner Network, which owns CNN
and AOL, finished fourth and fifth, respectively. Viacom served 284
million or 4.1 percent of all video streams for the month, while
Time Warner served 238 million, or 3.8 percent.

Microsoft, Google, EBaumsWorld, Comcast, and Real rounded out the
top ten.

Web Could Be Terror Training Camp

Disaffected people living in the United States may develop
radical ideologies and potentially violent skills over the
Internet and that could present the next major U.S. security
threat, U.S. Homeland Security Secretary Michael Chertoff said on
Monday.

"We now have a capability of someone to radicalize themselves
over the Internet," Chertoff said on the sidelines of a meeting of
International Association of the Chiefs of Police.

"They can train themselves over the Internet. They never have to
necessarily go to the training camp or speak with anybody else
and that diffusion of a combination of hatred and technical
skills in things like bomb-making is a dangerous combination,"
Chertoff said. "Those are the kind of terrorists that we may not
be able to detect with spies and satellites."

Chertoff pointed to the July 7, 2005 attacks on London's transit
system, which killed 56 people, as an example a home-grown
threat.

To help gather intelligence on possible home-grown attackers,
Chertoff said Homeland Security would deploy 20 field agents this
fiscal year into "intelligence fusion centers," where they would
work with local police agencies.

By the end of the next fiscal year, he said the department aims
to up that to 35 staffers.

One In Three Workers Jot Down Passwords

One in three people write down computer passwords, undermining
their security, and companies should look to more advanced
methods, including biometrics, to ensure their systems are safe,
a new study shows.

A study released on Tuesday by global research firms Nucleus Research and KnowledgeStorm found companies' attempts to tighten IT security by regularly changing passwords and making them more complex by adding numbers as well as letters had no impact on security.

Staff still had a tendency to jot down passwords either on a piece of paper or in a text file on a PC or mobile device.

"This is really a lot like mom and dad buying a great new security system for the house and junior leaving the combination under the door mat," David O'Connell, senior analyst at Nucleus Research, told Reuters.

The study, which surveyed 325 U.S. employees, found that a single sign-on system is just as effective as more complex schemes and that user education on the importance of proper password protection did not deter employees from their lax habits.

"Passwords are high maintenance. People forget them, people lose them, they have to be reset. Resending passwords is time intensive and costly. It takes up time at a help desk," said O'Connell.

The report suggested companies look instead to biometrics, such as voice recognition devices or thumbprint scanners, or cognitive biometrics, the latest security system that learns characteristics about you while you tell a story in the form of multiple choice answers.

"It's these higher order techniques that companies need to shift to in order to get away from passwords," said O'Connell.

Politicians' Campaigns Invade MySpace

Candidates are using popular websites Facebook, MySpace and YouTube for the first time to give their campaigns free publicity, reach young voters and bypass traditional media. Once they're online, though, they risk being mocked and losing control of their messages.

Facebook.com created 1,400 candidate profiles that listed names, states, parties and offices. Of those, about 300 are updated by candidates or their staffs, marketing director Melanie Deitch says.

What's online can be embarrassing:

* Sen. Hillary Rodham Clinton's Facebook profile has many posts from her Green Party rival, Howie Hawkins, who lists reasons he thinks the New York Democrat should be defeated.

* A Facebook search for "Mike DeWine" turns up the Ohio Republican senator's profile as well as links to several self-organized political groups of Facebook members. One group calls itself "Mike Dewine and (Ohio Rep.) Deborah Pryce are tools," a

derisive slang for dupes.

* In an ad only on YouTube and Republican congressional candidate
Paul Nelson's campaign website, Nelson says Rep. Ron Kind, D-
Wis., voted to fund studies of "the sex lives of Vietnamese
prostitutes." Matt Sweeney, Kind's campaign manager, says voters
will "see through these kinds of sleaze ads."

The power of the sites was highlighted this summer when video of
Sen. George Allen, R-Va., calling a rival's volunteer "macaca"
showed up on YouTube. It has been seen more than 250,000 times.
YouTube has more than 30 million visitors a month.

Campaigns are still finding ways to tap the sites' potential,
says Democratic strategist Chris Lehane, who predicts they "will
ultimately revolutionize politics."

About 1 million of Facebook's 10 million regular users read
politics features, Deitch says. That's an opportunity to reach
young voters. In the 2004 election, 17% of voters were 18-29.

MySpace, with 56 million visitors a month, had "a huge uptick"
this year in
political activity, says spokesman Jeff Berman. "When you can
reach people that quickly, that effectively and at no cost, it's
just a no-brainer," he says.

                        US Full of Internet Addicts

The United States could be rife with Internet addicts as
clinically ill as alcoholics, an unprecedented study released
suggested.

Researchers at Stanford University School of Medicine in Silicon
Valley said their telephone survey indicated more than one of
every eight US residents showed at least one sign of "problematic
Internet use."

The findings backed those of previous, less rigorous studies,
according to Stanford.

Most disturbing was the discovery that some people hid their
Internet surfing, or went online to cure foul moods in ways that
mirrored alcoholics using booze, according to the study's lead
author, Elias Aboujaoude.

"In a sense, they're using the Internet to self-medicate,"
Aboujaoude said. "And obviously something is wrong when people go
out of their way to hide their Internet activity."

According to preliminary research, the typical Internet addict
was a single, college-educated, white male in his 30s, who spends
approximately 30 hours a week on non-essential computer use.

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